

# Germany and France back a financial transactions tax

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I missed this in the [New York Times last Friday](#):

*The finance ministers of France and Germany united Friday to raise pressure on EU partners like Italy to back a tax on financial trades that could be used to help the economically disadvantaged.*

*A letter to the Union's 25 other finance ministers showed Berlin and Paris working together again despite sharp differences over the number of lenders a single banking supervisor for Europe should regulate, and how soon it should go into operation.*

*"We strongly believe in the need for a fair contribution from the financial sector to cover the costs of the financial crisis," Pierre Moscovici of France and Wolfgang Schäuble of Germany wrote in the letter.*

Excellent news.

But let's also be clear: the optimal revenue for such a tax would be close to zero. Then harmful financial transactions would not be causing damage to the economy.